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| **ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27** |  |
| **B.COM - VI SEMESTER** |  |
| **Special Supplementary Examination, JUNE 2019** |  |
| **BCDEA6516: International Financial Reporting Standards** |  |
| Supplementary candidates only. |  |
| **Time- 2 1/2 hrs** |  | **Max Marks-70** |  |  |
|  |  |  |  |  |  |  |  |
| **This paper contains \_4\_printed pages and four parts** |  |

**SECTION A**

**Answer any FIVE of the following. Each question carries two marks (5x2=10)**

1. Expand IASB and GAAP

2. What is the meaning of Investment Property as per IND AS 40?

3. Give two objectives of IFRS.

4. What do you understand by Non-Controlling Interest (NCI) as per IND AS110?

5. Give the meaning of a finance lease.

6. When is an asset impaired?

7. Define interim financial reporting.

**SECTION B**

**Answer any THREE of the following. Each question carries five marks. (3x5=15)**

8. Suzlon Energy is installing a new plant and incurred the following costs: Cost of plant (as per suppliers invoice plus taxes) Rs. 1,05,00,000, Initial delivery and handling costs Rs. 5,00,000, Cost of site preparation Rs. 5,00,000, Consultants used for advice on the acquisition of the plant Rs.6,50,000, Interest charges paid to supplier for deferred credit Rs.3,00,000, Estimated dismantling cost after six years Rs.1,00,000, Operating losses before commercial production Rs.10,00,000. Give the treatment of the above costs for Property, Plant and Equipment in accordance with Ind AS 16 and calculate the cost of the plant to be capitalised.

9. H Ltd. acquired 75% of the shares of S Ltd. on 31.07.2016 and earned a profit of Rs.6,75,000. for the year ended 31.03.2017. The face value of shares of S Ltd. Is Rs.100 per share. The S Ltd. had a balance of RS.8,25,000 in the P/L Account as on 31.03.2016 and Rs.10,50,000 in General Reserve. Calculate the non-controlling interest.

10. Give the recognition criterion for government grants

11. Write a note on the disclosure requirements of Earnings Per Share

12. From the given trial balance, prepare the Balance Sheet of Moonlight Ltd. as on 31.03.2017 as per Schedule III of the Companies ‘Act 2013.

|  |  |  |
| --- | --- | --- |
| Particulars | Dr.(Rs) | Cr. (Rs.) |
| Share capital (Rs10 each) |  | 4,00,000 |
| Bills receivable | 90,000 |  |
| 10% Mortgage Loan |  | 1,70,000 |
| Stores and spares | 1,15,000 |  |
| Debtors | 1,66,000 |  |
| Plant and Machinery | 2,90,000 |  |
| Goodwill | 40,000 |  |
| Provision for tax |  | 26,000 |
| General reserve |  | 1,30,000 |
| Cash in hand | 18,000 |  |
| Calls in Arrear (Rs 2 each)  | 2,000 |  |
| Marketable securities | 5,000 |  |

**SECTION C**

**Answer any THREE of the following. Each question carries ten marks. (3x10=30)**

13. From the following particulars prepare a statement of Profit & Loss for the year ended 31.3.2018 of Surya Ltd**.**

|  |  |
| --- | --- |
| **Particulars** | **Amount** |
| Deferred Tax | 20,000 |
| Other Expenses | 10,000 |
| Purchases of stock in trade | 50,000 |
| Materials consumed | 90,000 |
| Current Tax | 50,000 |
| Patents written off | 20,000 |
| Salaries  | 15,000 |
| Interest on Debentures | 15,000 |
| Interest on Investments | 1,00,000 |
| Sales | 5,00,000 |
| Excise duty | 50,000 |
| Opening stock  | 30,000 |
| PF Contribution | 10,000 |

Closing stock is Rs 20,000 more than opening stock.

14. From the following ledger balances of Ravi Ltd. as on 31.3.2018.You are required to prepare Balance sheet as on 31.3.2018 as per Revised schedule III of Indian Companies’ Act.

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amount | Particulars | Amount |
| Office equipment | 4,80,600 | General Reserve | 4,15,000 |
| 9% Debentures in Wipro Ltd | 2,45,000 | Creditors for Goods | 2,04,500 |
| Loose tools | 1,63,000 | Cash credit | 75,000 |
| Plant & Machinery | 18,00,000 | Mortgage Loan | 3,10,000 |
| Computer Software | 83,250 | 8% Preference share capital | 5,50,000 |
| Debtors  | 1,90,000 | Equity share capital | 15,00,000 |
| Advertisement(unwritten off) | 30,000 | Staff welfare fund | 85,000 |
| Stores & spares | 1,00,200 | Provision for Taxation | 26,550 |
| Interest accrued on investment | 51,000 |  |  |
| Cash at Bank | 23,000 |  |  |

15.From the following Balance Sheet of Kantha Ltd as on 31/5/2016, calculate NCI as per Ind AS 110 and also prepare consolidated balance sheet.

|  |  |  |
| --- | --- | --- |
| Particulars | Amount | Amount |
| **ASSETS** |  |  |
| Non Current Assets |  |  |
| * Land & Building
 |  | 15,00,000 |
| * Equipment
 |  | 40,00,000 |
| Current Assets |  |  |
| * Inventories
 | 9,00,000 |  |
| * Cash
 | 1,00,000 |  |
| * Bank
 | 10,00,000 | 20,00,000 |
| TOTAL |  | **75,00,000** |
| **CAPITAL & LIABILITIES** |  |  |
| Share holders funds* Share Capital
 |  | 20,00,000 |
| Reserve and Surplus |  |  |
| * P&L A/c
 | 5,00,000 |  |
| * Reserve
 | 3,00,000 |  |
| * Share Premium
 | 2,00,000 | 10,00,000 |
| Non Current Liabilities |  |  |
| 5% Debentures  |  | 40,00,000 |
| Current Liabilities |  | 5,00,000 |
| TOTAL |  | **75,00,000** |

1. Fair value of Land & Building is Rs 10,00,000 and that of equipment is Rs 50,00,000,which are to be brought into books for calculation of interest of parties.
2. Minorities hold 35% of shares of voting rights and shares in Kantha Ltd.
3. All shares were acquired during the financial year 2014-15.

16. A Co has a machine that originally cost 35,00,000 with accumulated depreciation of 5,00,000. The market value of the machine is 30,00,000, the cost of dismantling it is 1,00,000, and the direct selling costs are 2,00,000. The costs of restructuring the company if the machine is sold are 10,00,000. The value in use as determined by management is 27,50,000. The remaining estimated life of the machine is 5 years and estimated residual value at the end of this life is 2,50,000. Account for the loss on impairment. Also, calculate the depreciation charge on the machine after the impairment loss has been recognised.

17. Answer the following

a).What are the practical challenges in implementing IFRS in India?

b). Write a brief note on the events occurring after the reporting period.

**SECTION D**

**Answer the following compulsory question. The question carries fifteen marks. (1x15=15)**

18. X Ltd. and its subsidiaries have provided you, their Ind AS specialist, with a list of the properties they own:

(a) Land held by X Ltd. for undetermined future use

(b) A vacant building owned by X Ltd. and to be leased out under an operating lease

(c) Property held by a subsidiary of X Ltd, a real estate firm, in the ordinary course of its business

(d) Property held by X Ltd. for the use in production

(e) A hotel owned by Z Ltd., a subsidiary of X Ltd, and for which Z Ltd provides security services for its guests’ belongings

 Advise X Ltd. and its subsidiaries as to which of the above-mentioned properties would qualify under Ind AS-40 as investment properties with suitable explanation. If they do not qualify thus, how should they be treated under Ind AS?

 **BCDEA6516\_B\_19**